

1 SENATE BILL NO. 199

2 INTRODUCED BY E. STONINGTON

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO ELECTRICAL ENERGY;
5 REQUIRING A PUBLIC UTILITY TO OFFER ITS CUSTOMERS THE OPPORTUNITY TO PURCHASE A
6 SEPARATELY MARKETED PRODUCT COMPOSED OF ELECTRICITY FROM ALTERNATIVE RENEWABLE
7 ENERGY SOURCES THROUGH JUNE 2007; ESTABLISHING A STANDARD REQUIRING THAT 7 PERCENT
8 OF A PUBLIC UTILITY'S ELECTRICITY SUPPLY FOR RETAIL ELECTRICITY SALES IN THE STATE MUST
9 BE ACCOUNTED FOR BY ALTERNATIVE RENEWABLE ENERGY SOURCES BY JANUARY 1, 2007;
10 AMENDING SECTION 69-8-210, MCA; AND PROVIDING AN EFFECTIVE DATE."

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12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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14 **Section 1.** Section 69-8-210, MCA, is amended to read:
- 15 **"69-8-210. Public utilities -- electricity supply.** (1) On the effective date of a commission order
16 implementing a public utility's transition plan pursuant to 69-8-202, the public utility shall remove its generation
17 assets from the rate base.
- 18 (2) During the transition period, the commission may establish cost-based prices for electricity supply
19 service for customers that do not have a choice of electricity supply service or that have not yet chosen an
20 electricity supplier.
- 21 (3) If the transition period is extended, then the customers' distribution services provider shall:
- 22 (a) extend any cost-based contract with the distribution services provider's affiliate supplier for a term
23 of not more than 3 years; or
- 24 (b) purchase electricity from the market; and
- 25 (c) use a mechanism that recovers electricity supply costs in rates to ensure that those costs are fully
26 recovered.
- 27 (4) If a public utility intends to be an electricity supplier through an unregulated division, then the public
28 utility must be licensed as an electricity supplier pursuant to 69-8-404.
- 29 (5) A public utility shall, through June 30, 2007, offer its customers an opportunity to purchase a
30 separately marketed product composed of power from alternative renewable energy sources as defined in

1 90-4-102. This product may be priced differently from the cost-based electricity product authorized in this section.
2 (6) After June 30, 2007, a public utility shall ensure that alternative renewable energy sources, as
3 defined in 90-4-102, account for 7% of the public utility's electricity supply for retail electricity sales in the state."

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5 NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 2003.

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